does not allow any role for composite insurers. Accordingly, IRDA advised both NIC and NIA to opt out of cross selling arrangements forthwith and not to enter any such arrangement.

(c) IRDA has informed that insurers can appoint Corporate Agents in accordance with Section 42 of Insurance Act, 1938 and Regulations made thereunder for procuring insurance business. Since some of the banks have become Corporate Agents, they are permitted to solicit and procure business for the respective insurers.

Profit earned from investment in stocks

2223. SHRI MURLI DEORA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have directed non-Government provident funds to directly invest in stocks where debt instruments floated by the company have an investment grade from at least two credit-rating agencies;

(b) if so, the details thereof;

(c) who will keep the profits earned from shares and how the fund would be kept intact in case of loss; and

(d) whether his Ministry have cleared the proposal and how the interest of the labour would be safeguarded?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) The pattern of investment has been revised with a view to providing wider avenues for investment by Non-government Provident Funds, Superannuation Funds and Gratuity Funds. As per the revised pattern, which is effective from 1-4-2005, an amount upto 5% of the total portfolio has been allowed to be invested in shares of those companies that have an investment grade debt rating from two credit rating agencies. The investment pattern has been devised in such a manner that the maximum emphasis is on providing secured returns to the provident funds, superannuation funds and gratuity funds. Investment choices are left to the judgement of the trustees based on their assessment of risk and return.